

BROADCAST 2789

DATE: Aug. 19, 2004

TO: Local directors and local and state child care program staff

FROM: Dottie G. Wells, Co-Director, Division of Child Care and Development

SUBJECT: Maximum Reimbursable Rates for Child Care

CONTACT: Joan Ayers at (804) 726-7631 or joan.ayers@dss.virginia.gov
Margaret Harris at (276) 676-5641 or margaret.harris@dss.virginia.gov
Elizabeth Henry at (540) 347-6327 or eliz.henry@dss.virginia.gov
Paula Mercer at (804) 662-9776 or paula.mercer@dss.virginia.gov
Mike West at (757) 491-3988 or michael.west@dss.virginia.gov

The Maximum Reimbursable Rates (MRR) for the child care subsidy program will be revised effective Sept. 1, 2004. MRR for all licensed child care facilities, providers approved through licensed family day systems, and certain family day homes approved under local ordinance will be increased to the 75th percentile of the market rate for infant, toddler, and preschool care based on the most recent market rate survey (conducted in 2002). These MRR will be referred to as Tier 2 MRR. MRR for unlicensed providers will remain at the current rates. These will be identified as Tier 1 MRR. Due to budget constraints, MRR for school age care for all providers will remain at the current rate. The current school age MRR will be incorporated into both the Tier 1 and Tier 2 MRR charts so that each chart will be complete and accurate. Tier 1 MRR also contain minor adjustments to some daily and hourly rates.

Local departments of social services (LDSS) who approve providers under local ordinance, in accordance with Section 15.2-914 of the *Code of Virginia*, must have guidelines that meet or exceed *Minimum Standards for Licensed Family Day Homes* in order to reimburse those providers at Tier 2 MRR. LDSS who approve family day homes under this *Code* section include Fairfax County, Arlington County and the city of Alexandria. LDSS must certify and provide written documentation to the appropriate out-stationed state child care consultant that their approval process does meet or exceed the *Minimum Standards for Licensed Family Day Homes*.

Local allocations will be adjusted to cover the cost of increased rates paid from Tier 2 MRR. The increase in certain MRR should not adversely impact LDSS's ability to maintain current caseloads. The new rates may be implemented as soon as Sept. 1, 2004, but no later than Dec. 31, 2004. In the interim period between September and December, local departments may continue to honor any existing contractual agreements, (for example, purchase of service agreements yet to expire) that utilize the old rates. Tier 1 and Tier 2 MRR are available through the local agency Web site at: <http://www.localagency.dss.state.va.us/divisions/cc/reimbursable.html>

The child care policy chapter has been updated to incorporate the new MRR and several other minor changes. The revised policy chapter and transmittal number 188 are posted on the Division of Child Care and Development's Web site at:

<http://www.localagency.dss.state.va.us/divisions/cc/policy.cgi>

Questions about the new MRR should be addressed to the out-stationed state child care consultant for your local department.